



Contract and Financial Procedure Matters Report

SUMMARY

- 1.1 This report deals with the following items that require reporting to and approval by Council Cabinet under contract and financial procedure rules:
- a waiver under Contract Procedure Rule – CPR6 of CPR15 tendering requirement to enter into a contract with Derwent Stepping Stones (Derwent Experience Project) and Best Beginnings for Derwent Children's Centre
 - the incorporation of new funding allocations into the Children and Young People's department revenue budget 2006/7 and 2007/8
 - the purchase of retractable bleacher seating for the Darwin Suite financed from the Corporate Investment Fund reserve, to be repaid through additional Assembly Rooms income anticipated as a result of this improvement
 - latest monitoring position for Environmental Services, Building Services trading position.
- 1.2 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

- 2.1 To approve a waiver under CPR6 of CPR15 tendering requirements for contracts with Derwent Stepping Stones for £25,000 to 31 March 2007 and Best Beginnings for £30,000 for 2006/7 and 2007/8.
- 2.2 To amend the Children and Young People's department revenue budget to include new funding allocations 2006/7 and 2007/8.
- 2.3 To approve new seating in the Darwin Suite at the Assembly Rooms at a cost of £55,000 funded from the Corporate Investment Fund reserve, to be repaid over six years from additional Assembly Rooms income.
- 2.4 To approve the addition of the bleacher seating scheme to the 2007/08 capital programme.
- 2.5 To note the latest monitoring position for Environmental Services, Building Services trading position.



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SUPPORTING INFORMATION

1. Waiver of CPR15 tendering requirements - Children and Family Support contracts

- 1.1 Derwent Stepping Stones (DSS) are a specialist voluntary sector childcare, training and family support provider in the Derwent area and are a key partner in the Derwent Children's Centre. DSS are already running a structured, centre based parenting programme in the area through Derwent Experience which is used by Children's Centre families and meets requirements for Children's Centre outcomes. There are no alternative providers of similar services who could provide the specialist centre based family support services which Derwent Experience are running. The contract, for which the waiver is sought, with DSS is for £25,000 for the financial year 2006/7.
- 1.2 The outreach based family support function for Derwent Children's Centre will be provided by Best Beginnings under a separate agreement and there is no duplication of services between the two projects.
- 1.3 Best Beginnings is a partnership project delivering a range of family support services to families with children under eight in the Derwent area. When development of services for Derwent Children's Centre began in 2004 it was agreed by the local partners that the Children's Centre would use Best Beginnings to deliver family support services rather than developing separate services. The Children's Centres Development Group agreed that the PCT rather than the then Early Years and Childcare Service would act as the lead agency for the project. The contract with Best Beginnings for which the waiver is sought is for £30,000 for the financial year 2006/7 and 2007/8.

2. Additional revenue grant funding – Children and Young People's department

- 2.1 The following external grant income allocations together with the corresponding expenditure budgets need adding to the Children and Young People's department revenue budgets.
- 2.2 Up-front Connexions Transition Grant £28,000 for 2006/7.

The up-front Connexions Transition Grant is a grant to assist the transition to Children's Trusts (which is covered in another agenda item). The purposes of the grant include areas such as:

- a fully worked up, costed and risk assessed plan
- independent financial appraisals to help with decision making
- a consultation or workshop to engage key partners
- engagement of an individual to help drive through transition.

2.3 Parenting Support Grant £31,225 for 2006/7 and £18,077 for 2007/8.

The Parenting Support Grant is to support the development of a strategic approach to parenting within Derby City. There is flexibility over how the grant is spent, depending on the extent to which strategies have been developed. The DfES have identified the following elements that they see contribute to successfully developing a strategic approach.

- Undertaking an audit of local needs, including identification of 'hard to reach' and not yet reached families.
- Mapping of current parenting support provision – ranging from early intervention and prevention services through to the use of targeted intervention and enforcement measures.
- Developing and facilitating a cross authority parenting support strategy group.
- Consulting parents.
- Ensuring ownership of the strategy by relevant stakeholders.
- Drafting and publishing the strategy.

2.4 2007/8 grant allocations omitted from the Children and Young People's department summary revenue budget reported to Cabinet on 20 February 2007. The addition of the income and corresponding expenditure has a net nil impact on the department's net 2007/8 budget, approved by Council on 1 March 2007

- Schools Standards grant £5.755m
- School Standards grant personalisation £2.016m
- Standards Fund £16.430m.

3. Darwin Suite new seating

3.1 The Darwin suite at the Assembly Rooms is available in a number of formats including standing, cabaret style seating and theatre style seating. The venue is increasingly being used in its theatre style format, made up of stacking chairs on the flat floor. This creates some sightline problems and detracts from the 'theatrical experience'.

3.2 The proposal is to install retractable bleacher seating in the Darwin Suite.

The advantages include ...

- The bleacher seating will provide ticket buyers, hirers and artistes with an enhanced experience. The seats are of a more substantial nature, more comfortable and have a quality theatrical feel to them.
- The raked seating will greatly improve the sightlines and enhance the theatrical feel of the space.

- A proportion of the seating when in this theatrical format will still be the existing chairs on the flat floor providing ease of access for disabled customers and wheelchair users.
- The bleacher seating is retractable so that the auditorium can still be used in all of its existing formats. There would be a slight reduction in the size of the flat floor space when the seating is retracted.
- It is anticipated that the installation of the bleacher seating would lead to an increase in the use of the Darwin Suite and also in the number of tickets sold for event held there.
- The maximum capacity for events using the small stage format will be increased from 300 to 326.
- A reduction in the turn-around time and manpower required to change the room from flat floor to theatre style.

3.3 A quote for seating was obtained in December 2004 this was for £51,000. It is anticipated that the total cost of the project will be £55,000.

3.4 It is estimated that the new seating the number of events using the theatre style format would increase by 20% representing an additional 10 days use of the Darwin Suite per year. It is also anticipated that the average attendance at seated events would increase by 5% from 73% to 78%.

3.5 Assuming the increased usage and attendance the total increased return to the Assembly Rooms estimated at in the region of £11,000. The anticipated income would cover the cost of repaying the Corporate Investment Fund within six years.

4. Environmental Services, Building Services – latest trading position

4.1 Up to date monitoring of the trading position for Environmental Services Building Services Division has identified a potential forecast year-end trading loss of £600k in 2006/7.

4.2 The main reason for this is that expected turnover levels from allocation of work from Derby Homes and the building maintenance division have been lower than planned at £18m rather than £21m anticipated when the budget and overheads were set. This had been identified as a risk area in budget monitoring during the year with previous estimates that a budgeted surplus of £100k would not be achieved, as reported to Council Cabinet in February 2007.

4.3 Actions are in place to maximise income between now and the year end and to minimise expenditure. A more detailed piece of work is underway to fully understand the reasons for the position and to make sure the 2007/8 budget can be balanced.

4.4 The building division has historically performed well and achieved surpluses year on year. To make sure the risk of losses could be managed, a £1m trading reserve from previous surpluses has been in place for a number of years.

- 4.5 The final outturn position for 2006/7 and an explanation of the reasons for the final variance will be reported to Cabinet in the Summer.

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| Background papers: | None |
| List of appendices: | Appendix 1 – Implications |

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| IMPLICATIONS |
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Financial

1. As detailed in the report.

Legal

2. None.

Personnel

3. None.

Equalities impact

4. None.

Corporate priorities

5. These recommendations, where relevant, are in line with approved budgets which accord with the Council's corporate priorities.